

West Virginia Pharmacy Cost Management Council

Meeting Minutes

November 18, 2004 at 9:00 a.m.

*State Capitol Complex, Building 1, Room 157-K
Charleston, West Virginia 25305*

Members Present:

Shana Phares, Chair
Robin Perdue
Keith Huffman
Ann Stottlemeyer
Felice Joseph
Dr. Wayne Spiggle

Absent:

Phil Shimer
Nancy Atkins
Peggy King
Heather Bresch
Charles L. Burdette
Kevin Outtersson
Stephen Neal

Others Present:

See Attached Register

Attending the meeting as a representative for Heather Bresch of Mylan Laboratories was Leah L. Summers. Attending the meeting on behalf of the Bureau for Medical Services was Vicki Cunningham.

Ms. Phares called the meeting to order. Because a quorum was not present, consideration of the minutes of the meeting held on October 13, 2004 was laid over until the next meeting, scheduled for December 16, 2004.

Ms. Phares turned the meeting over to Ann Stottlemeyer for a report from the Discount Subcommittee on discount cards. Ms. Stottlemeyer referred to the following report with recommendations on the discount card.

“§5A-3C-5 establishes a discount drug program to provide low-income, uninsured individuals with access to prescription drugs from participating brand pharmaceutical companies and pharmacists. It offers the option of doing this through “either a state sponsored discount card program” or (emphasis added) through “a program that extends current brand pharmaceutical manufacturer prescription drug assistance programs.

“With developments such as the existing multiplicity of discount cards and the resulting confusion among seniors and others, the Council believes that the option of extending the current brand pharmaceutical manufacturer drug assistance programs is preferable at this time.

“The Council has made three recommendations for implementation: a cabinet level Pharmacy Advocate, negotiation of drug prices for all state agencies and other interested parties using the Federal Supply Schedule as a base, and development of a central fill pharmacy with simplified eligibility standards and processes for manufacturer’s drug assistance programs. Until such time as these recommendations have had time to demonstrate efficacy, the Council does not recommend implementation of the discount card option.

“If, once these programs are effectively implemented, there is still a need for a discount card program, the subcommittee will address the best approach to implementing such a program as described in §5A-3C-5.”

In response to Ms. Stottlemeyer’s remarks, Richard Stevens, representing the West Virginia Pharmacists’ Association, told the Council that 38,000 West Virginians have Medicare cards and that those using the card are receiving an average of 25% discount on pharmaceuticals. Mr. Stevens also stated he was informed by Medicare officials that many senior West Virginians who were eligible for \$600 credits toward the purchase of prescription drugs are not taking advantage of the Medicare provision because of the confusion with the different discount cards.

Ms. Phares next introduced Chris Goff, President and CEO of Employers Health Purchasing Corp. of Ohio (EHPCO), who made a presentation to the Council entitled “Traditional vs. Transparent: Is it Time for Employers to Refine the PBM Industry?” EHPCO is a healthcare coalition uniting employers to use collective market influence to improve the cost and quality of healthcare benefits in their communities. A healthcare coalition brings employers together to optimize the corporate healthcare investment through group purchasing, legislative affairs, data collection and analysis, education and collaboration. EHPCO manages a PBM contract for over 130 companies and approximately 400,000 lives. In addition to reducing employers’ drug coverage costs, the company offers initiatives and campaigns to alert members on the misuse of antibiotics, a diabetes care coalition program and other wellness projects. In addition to its traditional purchasing programs, EHPCO is developing a unique health plan model that rewards physicians for high quality and efficient care.

Ms. Phares turned the meeting over to Felice Joseph, Pharmacy Benefits Administrator for the PEIA, to inform the Council on the progress of PEIA’s Academic Detailing Program. Ms. Joseph advised that the Council of State Governments (CSG) had recognized West Virginia by awarding it the Southern Regional Innovations Program Award for 2004 for its AIMS program. There were 237 total applications submitted to CSG with 70-80 from the south. Of 12 finalists, only two states were recognized for their programs (West Virginia and Arkansas). An article in CSG’s November periodical devoted a full page to explaining the program and how it promotes the use of generic drugs. A copy of the article was distributed to members of Council.

The next presentation was to have been made by Thomas Snedden, Co-Director of the Pennsylvania Governor's Office of Health Care Reform Pharmacy Policy and Administration Project. Mr. Snedden was unable to attend but did however send a copy of his presentation, which was distributed to members of Council.

Ms. Phares reviewed with Council upcoming significant dates and tentative schedule of events to occur before year's end. The Annual Report is due to the Legislature's Joint Committee on Government and Finance by December 31, 2004. A conference call among members and interested parties will tentatively take place at 2:00 PM on December 10, 2004 to review the report. Email notification will be sent with conference call phone numbers. Ms. Phares advised that a quorum would be necessary for the December 16th meeting of Council to approve the final draft of the Annual Report, which will be submitted on December 20, 2004.

Ms. Phares advised that members of Council will be touring Cardinal Health, a company who offers pharmaceutical distribution services and is located in Wheeling, West Virginia. The tour is tentatively scheduled for Thursday, December 9, 2004 at 11:00 AM. The tour will take approximately three hours and those interested in attending are asked to contact Debbie Garnes at DHHR.

Next, Dr. Spiggle asked to be recognized and when he was, he thanked Shana Phares and said she showed exemplary leadership of the Council, which was evident by the Legislature's recognition of work performed by Council by its recent adoption of Senate Concurrent Resolution which passed the Legislature on November 16, 2004.

Ms. Phares thanked Dr. Spiggle for his kind remarks and advised Council that copies of Senate Concurrent Resolution 101 and House Concurrent Resolution 3001 were among the handouts distributed to members at the beginning of the meeting. She told members that the Resolution was adopted by both houses of the Legislature during the Special Session of the Legislature which adjourned yesterday, November 17, 2004. The Resolution authorized the use of the Federal Supply Schedule in establishing a benchmark for prescription drug prices for the negotiation and purchase of brand name drugs; authorized the Council to implement the strategic plan established in the Reference Pricing Report submitted on September 10th to the Joint Committee, and requested the Council recommend legislative enactments as necessary from time to time to implement the same.

In conclusion, Ms. Phares brought up for discussion topics members need to be thinking about for future meetings, including immediate relief to agencies and people of West Virginia, even if only temporary; long-term implementation; joint purchasing and streamlined PDLs. Topics for discussion at the next meeting of the Council scheduled for December 16, 2004, include:

- Executive Director of Council should also be Pharmacy Advocate;

- Presentation by Mr. Snedden on Pennsylvania Pharmacy Policy
- Final draft and approval of Annual Report;
- Initiating recommendations report;
- Discuss subcommittee to submit information for final report; and,
- Framework of transition to reflect changes due to new administration.
- Change dates of January and February meetings to late Friday or Monday because of Legislative Session.

The meeting was adjourned at 11:50 AM. Following luncheon, members would reconvene to hear a presentation from Mike Kaufmann, Executive Director, Supply Chain Services for Cardinal Health, a copy of which was included in the handout distributed to members at the beginning of the meeting.